

ANNEX "B-1": PROCEDURES FOR THE MANUAL PROCESSING OF LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)

1. The **DepEd Borrower** (hereinafter referred to as the "**Borrower**") shall present his/her latest available pay slip to the APDS accredited lending entity (hereinafter referred to as the "**Lender**") as part of his/her loan application.
2. The **Lender** shall evaluate the Borrower's loan application using its own criteria, including the Borrower's capacity to pay based on the presented pay slip. The presence of "Undeducted Obligations" in the Borrower's pay slip indicates his/her lack of capacity to pay the loan through the APDS, hence, such borrower is ineligible to borrow under the APDS.
3. If the loan application passes the Lender's evaluation, the **Lender** shall stamp the following on the face of the pay slip without obscuring the pertinent details therein:
 - a. Corporate name of the Lender and APDS Code for lending;
 - b. Principal amount of the loan;
 - c. Term of the loan (first and final months of deduction);
 - d. Amount of monthly amortization;
 - e. Date of loan evaluation; and
 - f. Name and signature of Lender's Loan Officer.
4. The **Lender** shall e-mail a scan of the stamped pay slip to the Borrower using the e-mail subject, "Request for Confirmation of Evaluated APDS Loan- <Lender's APDS Code> - <Borrower's complete name>"¹ and return the stamped pay slip to the Borrower.
5. The **Borrower** shall forward the e-mail received from the Lender to the official/designated DepEd e-mail address of the concerned DepEd Verifier (hereinafter referred to as "Verifier") using the Borrower's official DepEd e-mail.
6. The **Verifier** shall record the details of the Borrower and of the loan evaluated by the Lender that are pertinent to the assessment of the Borrower's capacity to pay.
7. The **Verifier** shall determine if the stamped monthly amortization can be accommodated in the APDS, cognizant of the Borrower's eligibility to avail of loans under the APDS, the NTHP rule, and the Borrower's capacity to pay based on the presented pay slip and the Verifier's records. The Verifier, based on his/her records, shall also check if the Borrower has approved obligations that are not yet reflected in the latter's stamped pay slip.

First-in first-served rule shall be strictly observed in the verification of loan applications.

8. The **Verifier**, using the official/designated DepEd e-mail, shall e-mail the Lender, copy furnished ("Cc") the Borrower, either of the following messages depending on the Verifier's assessment:
 - a. If the monthly loan amortization can be accommodated in the APDS:

Please be informed that as validated in our records, the loan you evaluated **can be accommodated in the APDS:**

²The DepEd Office concerned may prescribe its own e-mail subject through official communications with the Lenders, copy furnished the Office of the Undersecretary [for Finance](#).

Borrower's Name	
Employee No.	
Station Code	
Principal Amount of Approved Loan	
Amount of Monthly Amortization	

Any misrepresentation in the Borrower’s application verified by the Lender shall not be the liability of the Verifier.

<Name of Verifier>
<Office>

- b. If the monthly loan amortization cannot be accommodated in the APDS:

Please be informed that as validated in our records, the loan you evaluated cannot be accommodated in the APDS for reasons stated below:

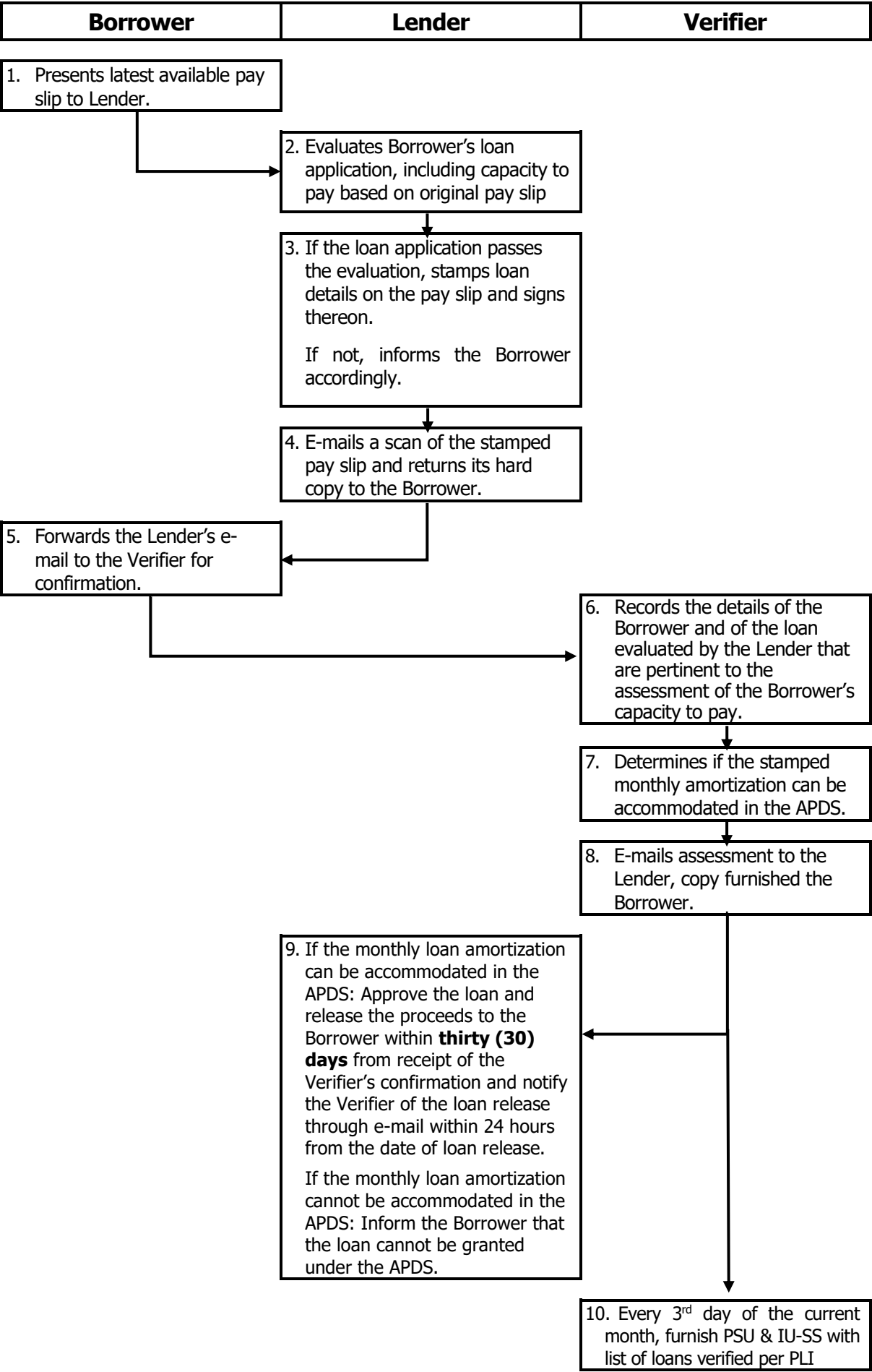
Borrower's Name	
Employee No.	
Station Code	
Principal Amount of Approved Loan	
Amount of Monthly Amortization	
Reason/s	e.g. <i>Insufficient NTHP; With approved obligations that are not yet reflected in the stamped pay slip</i>

<Name of Verifier>
<Office>

9. Depending on the Verifier’s assessment, the **Lender** shall do either of the following upon receipt of the former’s e-mail:
- a. If the monthly loan amortization can be accommodated in the APDS: Approve the loan and release the loan proceeds to the Borrower within **thirty (30) days** from receipt of the Verifier’s confirmation and notify the Verifier of the release of the loan proceeds through e-mail within 24 hours from the date of loan release.
 - b. If the monthly loan amortization cannot be accommodated in the APDS: Inform the Borrower that the loan cannot be granted under the APDS.

-- End --

ANNEX B-1 PROCESS FLOW ON LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT’S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) – VIA APPLICATION TO THE LENDER’S PHYSICAL OFFICE



ANNEX B-2 : PROCEDURES FOR THE ONLINE PROCESS OF LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)

1. The **DepEd Borrower** (hereinafter referred to as the "**Borrower**"), using the deped.gov.ph email address shall:
 - a. Secure ONLINE Loan Application Form (LAF) from the APDS accredited lending entity (hereinafter referred to as the "Lender");
 - b. Accomplish LAF and submit the same to the Lender together with the latest available pay slip;
 - c. Wait for the response of the Lender through email, if he/she is eligible to be granted loan or not. In case eligible, forward the Lender's response to the official e-mail address of designated DepEd Verifier (hereinafter referred to as "Verifier").
2. The **Lender** shall:
 - a. Perform background check on the legitimacy of the loan being applied for by the Borrower to prevent occurrence of loans applied by fictitious borrowers (rehash);
 - b. Evaluate the Borrower's loan application using the Lender's own criteria, including the Borrower's capacity to pay based on the presented pay slip. The presence of "Undeducted Obligations" in the Borrower's pay slip indicates his/her lack of capacity to pay the loan through the APDS, hence, such borrower is ineligible to borrow under the APDS.
 - c. If the loan application passes the Lender's evaluation, stamp the following on the face of the pay slip without obscuring the pertinent details therein:
 - i. Corporate name of the Lender and APDS Code for lending;
 - ii. Principal amount of the loan;
 - iii. Term of the loan (first and final months of deduction);
 - iv. Amount of monthly amortization;
 - v. Date of loan evaluation; and
 - vi. Name and signature of Lender's Loan Officer.
 - d. E-mail a scan of the stamped pay slip to the Borrower using the e-mail subject, "Request for Confirmation of Evaluated APDS Loan- <Lender's APDS Code> - <Borrower's complete name>"².
 - e. Depending on the Verifier's assessment, shall do either of the following upon receipt of the former's e-mail:
 - i. If the monthly loan amortization can be accommodated in the APDS: 1) Approve the loan and release the loan proceeds to the Borrower **within thirty (30) days** from receipt of the Verifier's confirmation; and 2) notify the Verifier of the release of the loan proceeds through e-mail within 24 hours from the date of loan release.
 - ii. If the monthly loan amortization cannot be accommodated in the APDS: Inform the Borrower that the loan cannot be granted under the APDS.
3. The **Verifier** shall:
 - a. Record the details of the Borrower and of the loan evaluated by the Lender that are pertinent to the assessment of the Borrower's capacity to pay;

²The DepEd Office concerned may prescribe its own e-mail subject through official communications with the Lenders, copy furnished the Office of the Undersecretary for Finance.

- b. Determine if the stamped monthly amortization can be accommodated in the APDS, cognizant of the Borrower’s eligibility to avail of loans under the APDS, the NTHP rule, and the Borrower’s capacity to pay based on the presented pay slip and the Verifier’s records. The Verifier, based on his/her records, shall also check if the Borrower has approved obligations that are not yet reflected in the latter’s stamped pay slip.

First-in first-served rule shall be strictly observed in the verification of loan applications.

- c. Using the official/designated DepEd e-mail, shall e-mail the Lender, copy furnished (“cc”) the Borrower, either of the following messages depending on the Verifier’s assessment:
- d. If the monthly loan amortization can be accommodated in the APDS:

Please be informed that as validated in our records, the loan application you evaluated can be accommodated in the APDS:

Borrower’s Name	
Employee No.	
Station Code	
Principal Amount of Approved Loan	
Amount of Monthly Amortization	

Any misrepresentation in the Borrower’s application verified by the Lender shall not be the liability of the Verifier.

<Name of Verifier>
<Office>

- e. If the monthly loan amortization cannot be accommodated in the APDS:

Please be informed that as validated in our records, the loan application you evaluated cannot be accommodated in the APDS for reasons stated below:

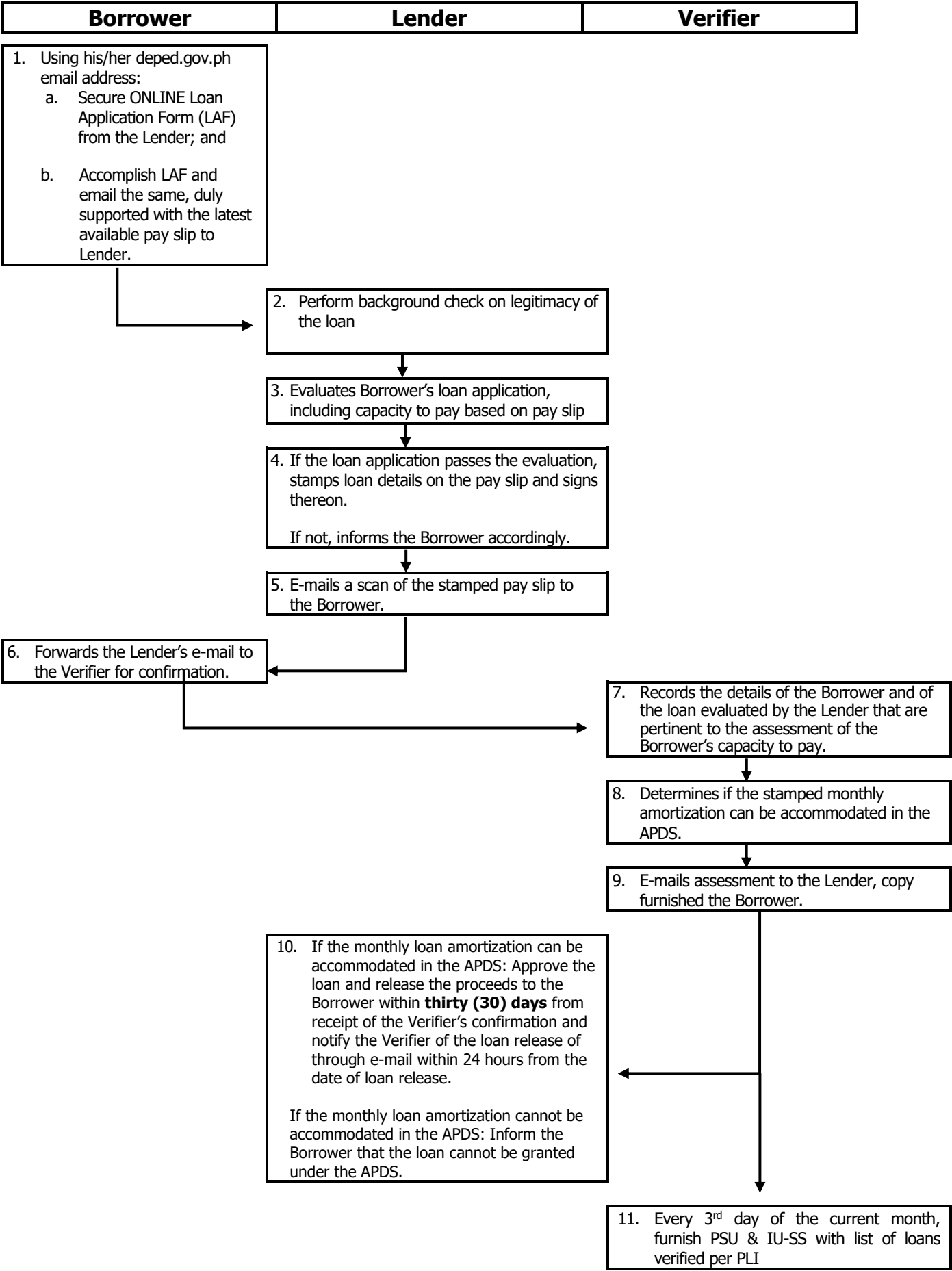
Borrower’s Name	
Employee No.	
Station Code	
Principal Amount of Applied Loan	
Amount of Monthly Amortization	
Reason/s	<i>e.g. Insufficient NTHP; With approved obligations that are not yet reflected in the stamped pay slip</i>

<Name of Verifier>
<Office>

- f. Every 3rd day of the current month, furnish the Payroll Services Unit (PSU) and/or Implementing Unit-Secondary Schools (IU-SS) with list of verified loan amortizations per PLI that can be accommodated in the payroll.

-- End --

ANNEX B-2 : PROCESS FLOW ON LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT’S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) – VIA ONLINE PROCESS



ANNEX C-1: PRESCRIBED TEMPLATES FOR AUTHORITY TO DEDUCT AND
PROMISSORY NOTE

AUTHORITY TO DEDUCT
THROUGH THE DEPED AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)

I hereby authorize DepEd to deduct monthly from my salary, through the DepEd APDS, the sum of **PESOS:** _____ (P _____), inclusive of principal and interest, beginning on _____ and ending on _____, and to remit the same to NAME OF LENDER in consideration of the loan which was granted to me on _____. **In case my loan amortization is not deducted in the payroll, regardless of the reason, I also authorize DepEd to automatically adjust the termination period in my pay slip by one (1) month for every month of delay of its deduction.**

The authorization is VALID AND BINDING within the aforementioned loan period, unless the loan is pre-terminated, or the authorization is otherwise revoked. Moreover, I agree that deductions that will reduce my monthly net take-home pay to lower than what is allowed under the law shall not be accommodated in the APDS.

Signature over Printed Name of DepEd Borrower

Employee Number:
Station Code:
Division Code:
Region:

Date: _____

PROMISSORY NOTE

For value received, the undersigned promises to pay through APDS to the **NAME OF LENDER** the sum of **PESOS:** _____ (P _____) with interest rate of _____ percent (____%) per annum, **TO BE PAID IN EQUAL MONTHLY INSTALLMENTS, INCLUSIVE OF PRINCIPAL AND INTEREST, IN THE AMOUNT OF P _____, BEGINNING ON _____ AND ENDING ON _____, or until full payment.**

Default in the payment for six (6) consecutive installments shall render the entire unpaid balance due and demandable.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ at _____.

(Signature over Printed Name of Borrower)

ID No. _____
Employee No. _____ Division No. _____ Station No. _____ Date Issued _____

School or Station Address: _____ Place Issued _____
Telephone Number: _____

Home Address: _____

Subscribed and sworn to before me, this _____ day of _____ 20____, the affiant identified as such person after presenting the following:

NAME	ID NO.	DATE AND PLACE ISSUED
------	--------	-----------------------

NOTARY PUBLIC

Doc. No _____
Page No _____
Book No _____
Series of _____

ANNEX C-2: PRESCRIBED TEMPLATE FOR DISCLOSURE STATEMENT

ANNEX "C-2"
(for Enclosure 2)

(Business Name of Creditor)

DISCLOSURE STATEMENT ON LOAN/CREDIT TRANSACTION
(As Required under R.A. 3765, Truth in Lending Act)

NAME OF BORROWER
ADDRESS

1. LOAN GRANTED (Amount to be financed)

P

(A)

2. FINANCE CHARGES

a. Interest % p.a. from to

() Simple () Monthly

() Compound () Quarterly

() Annual

() Semi-Annual

b. Non-Interest Charges

c. Commitment Fee

d. Guarantee Fee

e. Other charges incidental to the extension of credit (Specify)

Total finance charges

Not Deducted From Proceeds of Loan

P

X

X

X

Deducted From Loan

P

X

X

X

(B)

3. NON-FINANCE CHARGES

a. Insurance Premium

b. Taxes

c. Documentary/ Science Stamps

d. Notarial fees

e. Others (Specify)

Total non-finance charges

P

P

(C)

(D)

4. OUTSTANDING LOAN BALANCE OF PREVIOUS LOAN
(If loan renewal)

5. TOTAL DEDUCTIONS FROM PROCEEDS OF LOAN (B + C + D)

6. NET PROCEEDS OF LOAN (A less E)

7. PERCENTAGE OF FINANCE CHARGES TO TOTAL AMOUNT FINANCED (Computed in accordance with Subsec. X301.1)

8. EFFECTIVE INTEREST RATE
(Method of computation attached)

9. SCHEDULE OF PAYMENT

a. Single Payment due on (Date)

b. Total Installment Payments
Payable in months/year
(no. of payments)
at P each installment

10. COLLATERAL

This loan is wholly/partly secured by (check):

☐ Real Estate

☐ Chattels

☐ Government Securities

☐ UNSECURED (Thru DepEd's Automatic Payroll Deduction System)

11. ADDITIONAL CHARGES IN CASE CERTAIN STIPULATIONS ARE NOT MET BY THE BORROWER.

NOT TO BE COLLECTED THROUGH THE APDS

Nature

Amount

CERTIFIED CORRECT:

(Signature of Creditor/Authorized Representative Over Printed Name)

Position

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT PRIOR TO THE CONSUMMATION OF THE CREDIT TRANSACTION AND THAT I UNDERSTAND AND FULLY AGREE TO THE TERMS AND CONDITIONS THEREOF.

Date

(Signature of Borrower over Printed Name)

Notice to Borrower:

1. You are entitled to a copy of this paper which you shall sign.

2. Disclosure on loan is computed using the "diminishing method" while charges are deducted in advance (upfront) from loan proceeds.

3. Items marked "X" are not allowed under DepEd's Automatic Payroll Deduction System.

Page 8 of 17

ANNEX D-1:

Republic of the Philippines
Department of Education

AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM

EFFECTIVE INTEREST CALCULATION MODEL FOR A ONE (1)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		1		Per Annum	= 7.500%	
3	No. of installments (in months)		12		Per Month	= 0.625%	
4	Grace period (in months)		-		Nominal Interest Rate	= 4.109%	
5	No. of periods (in months)		12		Effective Interest Rate (EIR)		
6	Other Charges		6.000%		Per Annum	= 21.091%	
7	Monthly Installment		PhP 8,675.75		Per Month	= 1.608%	
8							
9	<u>Installment</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u>	<u>NET PROCEEDS</u>	<u>Outstanding</u>
	<u>Period</u>				<u>Charges</u>	<u>Cash Flows</u>	<u>Balance</u>
10	0	100,000.00			6,000.00	94,000.00	100,000.00
11	1		8,050.75	625.00		(8,675.75)	91,949.25
12	2		8,101.07	574.68		(8,675.75)	83,848.18
13	3		8,151.70	524.05		(8,675.75)	75,696.48
14	4		8,202.65	473.10		(8,675.75)	67,493.83
15	5		8,253.91	421.84		(8,675.75)	59,239.92
16	6		8,305.50	370.25		(8,675.75)	50,934.42
17	7		8,357.41	318.34		(8,675.75)	42,577.01
18	8		8,409.64	266.11		(8,675.75)	34,167.37
19	9		8,462.20	213.55		(8,675.75)	25,705.17
20	10		8,515.09	160.66		(8,675.75)	17,190.08
21	11		8,568.31	107.44		(8,675.75)	8,621.77
22	12		8,621.77	53.89		(8,675.66)	-
23	Total		100,000.00	4,108.91	6,000.00		

ANNEX D-2:

Republic of the Philippines
Department of Education

AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM

EFFECTIVE INTEREST CALCULATION MODEL FOR A TWO (2)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in Php)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		2		Per Annum	= 9.000%	
3	No. of installments (in months)		24		Per Month	= 0.750%	
4	Grace period (in months)		-		Nominal Interest Rate	= 4.822%	
5	No. of periods (in months)		24		Effective Interest Rate (EIR)		
6	Other Charges		6.000%		Per Annum	= 16.351%	
7	Monthly Installment		Php 4,568.48		Per Month	= 1.270%	
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00			6,000.00	94,000.00	100,000.00
11	1		3,818.48	750.00		(4,568.48)	96,181.52
12	2		3,847.12	721.36		(4,568.48)	92,334.40
13	3		3,875.97	692.51		(4,568.48)	88,458.43
14	4		3,905.04	663.44		(4,568.48)	84,553.39
15	5		3,934.33	634.15		(4,568.48)	80,619.06
16	6		3,963.84	604.64		(4,568.48)	76,655.22
17	7		3,993.57	574.91		(4,568.48)	72,661.65
18	8		4,023.52	544.96		(4,568.48)	68,638.13
19	9		4,053.69	514.79		(4,568.48)	64,584.44
20	10		4,084.10	484.38		(4,568.48)	60,500.34
21	11		4,114.73	453.75		(4,568.48)	56,385.61
22	12		4,145.59	422.89		(4,568.48)	52,240.02
23	13		4,176.68	391.80		(4,568.48)	48,063.34
24	14		4,208.00	360.48		(4,568.48)	43,855.34
25	15		4,239.56	328.92		(4,568.48)	39,615.78
26	16		4,271.36	297.12		(4,568.48)	35,344.42
27	17		4,303.40	265.08		(4,568.48)	31,041.02
28	18		4,335.67	232.81		(4,568.48)	26,705.35
29	19		4,368.19	200.29		(4,568.48)	22,337.16
30	20		4,400.95	167.53		(4,568.48)	17,936.21
31	21		4,433.96	134.52		(4,568.48)	13,502.25
32	22		4,467.21	101.27		(4,568.48)	9,035.04
33	23		4,500.72	67.76		(4,568.48)	4,534.32
34	24		4,534.32	34.01		(4,568.33)	-
35	Total		100,000.00	9,643.37	6,000.00		

ANNEX D-3:

Republic of the Philippines
Department of Education
AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM

**EFFECTIVE INTEREST CALCULATION MODEL FOR A THREE (3)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD**

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		3		Per Annum	=	9.660%
3	No. of installments (in months)		36		Per Month	=	0.805%
4	Grace period (in months)		-		Nominal Interest Rate	=	5.196%
5	No. of periods (in months)		36		Effective Interest Rate (EIR)		
6	Other Charges		6.000%		Per Annum	=	14.886%
7	Monthly Installment		PhP 3,210.78		Per Month	=	1.163%
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00			6,000.00	94,000.00	100,000.00
11	1		2,405.78	805.00		(3,210.78)	97,594.22
12	2		2,425.15	785.63		(3,210.78)	95,169.07
13	3		2,444.67	766.11		(3,210.78)	92,724.40
14	4		2,464.35	746.43		(3,210.78)	90,260.05
15	5		2,484.19	726.59		(3,210.78)	87,775.86
16	6		2,504.18	706.60		(3,210.78)	85,271.68
17	7		2,524.34	686.44		(3,210.78)	82,747.34
18	8		2,544.66	666.12		(3,210.78)	80,202.68
19	9		2,565.15	645.63		(3,210.78)	77,637.53
20	10		2,585.80	624.98		(3,210.78)	75,051.73
21	11		2,606.61	604.17		(3,210.78)	72,445.12
22	12		2,627.60	583.18		(3,210.78)	69,817.52
23	13		2,648.75	562.03		(3,210.78)	67,168.77
24	14		2,670.07	540.71		(3,210.78)	64,498.70
25	15		2,691.57	519.21		(3,210.78)	61,807.13
26	16		2,713.23	497.55		(3,210.78)	59,093.90
27	17		2,735.07	475.71		(3,210.78)	56,358.83
28	18		2,757.09	453.69		(3,210.78)	53,601.74
29	19		2,779.29	431.49		(3,210.78)	50,822.45
30	20		2,801.66	409.12		(3,210.78)	48,020.79
31	21		2,824.21	386.57		(3,210.78)	45,196.58
32	22		2,846.95	363.83		(3,210.78)	42,349.63
33	23		2,869.87	340.91		(3,210.78)	39,479.76
34	24		2,892.97	317.81		(3,210.78)	36,586.79
35	25		2,916.26	294.52		(3,210.78)	33,670.53
36	26		2,939.73	271.05		(3,210.78)	30,730.80
37	27		2,963.40	247.38		(3,210.78)	27,767.40
38	28		2,987.25	223.53		(3,210.78)	24,780.15
39	29		3,011.30	199.48		(3,210.78)	21,768.85
40	30		3,035.54	175.24		(3,210.78)	18,733.31
41	31		3,059.98	150.80		(3,210.78)	15,673.33
42	32		3,084.61	126.17		(3,210.78)	12,588.72
43	33		3,109.44	101.34		(3,210.78)	9,479.28
44	34		3,134.47	76.31		(3,210.78)	6,344.81
45	35		3,159.70	51.08		(3,210.78)	3,185.11
46	36		3,185.11	25.64		(3,210.75)	-
47	Total		100,000.00	15,588.05	6,000.00		

Annex “E” – SAMPLE SWORN STATEMENT REGARDING THE LOAN DOCUMENTS SUBMITTED AND FULL EXPLANATION OF THE TERMS AND CONDITIONS OF THE LOANS TO THE BORROWERS.

[Date]

DR. _____
Regional Director
DepEd –Region _____

SWORN CERTIFICATION

Sir/Madam:

As a/an <type of private entity> accredited under the Automatic Payroll Deduction System (APDS) Program of the Department of Education, may we request for automatic payroll deduction of the obligations obtained by the following DepEd personnel for the month of _____, 2018.

	Name of Employee	Work Station	Date of Loan Release
1.	_____	_____	_____
2.	_____	_____	_____

In this regard, the Company hereby certifies the following:

- 1. Name of Entity and the DepEd borrowers have executed Authorities to Deduct, Promissory Notes, and Disclosure Statements, and copies of the said documents were furnished to the concerned DepEd borrowers;
- 2. The terms and conditions of the loan were properly discussed with the DepEd borrowers and they have understood the same;
- 3. The loans granted herein were duly verified by the designated DepEd Verifier; and**
- 4. That the proceeds of the loan, as appearing in the documents signed by the DepEd borrowers, were actually released to and received by them in full as of the date of loan release.

The company agrees that any falsity of the certification herein is a ground for the revocation of the company’s accreditation in the DepEd APDS.

Very truly yours,

NAME
[Position/Official Designation]

SUBSCRIBED AND SWORN to this ____ day of _____by the affiant who is personally known to me/identified by me as such persons after presenting his or her <government issued ID>.

Doc No.
Page No.
Book No.
Series of 2018

ANNEX "F" – PROCEDURES FOR THE ONLINE PROCESS ON THE SUBMISSION OF MONTHLY BILLING STATEMENTS BY THE LENDER UNDER THE DEPARTMENT'S PROGRAM ON APDS

A. The **Lender** shall:

1. Consolidate all loan accounts granted to DepEd borrowers within a month, and prepare monthly billing statement in accordance with the prescribed template provided by the Payroll Services Units (PSU) and/or Implementing Unit-Secondary Schools (IU-SS). The billing statement must be duly supported with pertinent documents, as shown below.
 - a. For each loan applied by concerned DepEd borrowers:
 - i. Processed Loan Application Form;
 - ii. Authorization to Deduct (ATD);
 - iii. Promissory Note (PN);
 - iv. Disclosure Statement;
 - v. Amortization Schedule; and
 - vi. Proof of loan release such as checks, loan vouchers (duly acknowledged by the DepEd borrowers), credit memos, remittance lists and other proof of fund transfer issued by the Lender.
 - b. Subscribed Sworn Certification stating that:
 - i. The Lender and the DepEd borrowers have executed ATDs, PNs, and DS, and copies of the said documents were furnished to the concerned DepEd borrowers;
 - ii. The Lender properly discussed d the terms and conditions of the loans with the DepEd borrowers and they have understood the same;
 - iii. The loans granted herein were duly verified by the designated DepEd Verifier; and
 - iv. The proceeds of the loan, as appearing in the documents signed by the DepEd borrowers, were actually released to and received by them in full as of the date of loan release; and
 - v. The Lender agrees that any falsity of the certification herein is a ground for the revocation of the company's accreditation in the DepEd APDS.
2. Every 5th day of the month, submit through email the monthly billing statement/s for all loans of DepEd borrowers granted within the previous month, together with the scanned copies of the pertinent documents listed in Items 1 (a to b) above, to the official email addresses of PSUs and/or IU-SSs (____@deped.gov.ph). Under no circumstance shall the Lender bill a Borrower for loans not yet granted.
3. Check and retrieve any returned billings through email from PSUs and/or IU-SSs, and re-submit the same as rectified, on or before the 10th day of the current month. **Any billing for new loans granted by the Lender that will reduce the minimum monthly NTHP to an amount lower than what is allowed under the law shall not be accommodated and shall be returned to the Lender.**
4. Provide copies of the billing statement to the concerned Schools Division Offices, Attention: DepEd Verifiers, within ten (10) days after the submission of its final billing statement to the PSUs and/or IU-SSs.
5. Submit hard copies of signed billing statement (original copy) and the supporting documents to the PSU and/or IU-SS.

ANNEX “G” – PROVINCES/REGIONS WHERE THE LENDER HAS OFFICE/S AS VALIDATED BY DEPED

NAME OF ENTITY:
APDS CODE:

REGION	PROVINCIAL LOCATION	CITY/ MUNICIPALITY	NAME OF AUTHORIZED PERSONNEL	OFFICIAL CONTACT NUMBER	EMAIL ADDRESS

I hereby certify that the said offices/branches can sufficiently render services such as, but not limited to: maintaining complete records, accepting payments, issuance of statements of accounts, official receipts, certificates of full payment, and contracts and membership documents, all within specified timeframes, and attending to other transactions, queries, and complaints of DepEd personnel

(Signature)
Name of Authorized Representative
Designation

ANNEX "H" – GROUNDS FOR SUSPENSION OR REVOCATION OF ACCREDITATION

GROUND FOR SUSPENSION OR REVOCATION OF ACCREDITATION

(For Lending, Insurance Premia, or Membership Dues/Contributions, as Applicable)

Simple Grounds

Suspension, which involves the withholding of remittance for not less than one (1) month but not more than six (6) months, and the corresponding non-acceptance of new business or deduction billing for not less than one (1) month, shall be imposed upon repeated commission of grounds classified as "Simple".

"Simple grounds" are acts or omissions of an accredited entity in violation of the guidelines on accreditation/re-accreditation or TCAA that can cause minor damage to DepEd employees who are borrowers, policy holders or members of accredited entities.

Simple grounds include, but are not limited to, the following:

- a. Billing more than one (1) loan per DepEd borrower.
- b. Not furnishing the DepEd employee, or charging the borrower/DepEd fees for, copies of the ATD, PN, DS, and/or amortization schedule in accordance with Annexes D-1 to D-3, or copies of the Certificate of Membership, Policy Contract, and/or other documents evidencing membership for insurance/mutual benefits/association duly acknowledged by Employees.
- c. Billing the co-maker, through APDS, for the loan balance of the principal borrower.
- d. Computation of interest and non-interest charges on Loan not in accordance with the guidelines, but with the Effective Interest Rate is still within the specified ceiling.
- e. Not reflecting the conditions on penalties and/or past due interest on loans, if any, in the DS signed by DepEd borrowers.
- f. Refusal to accept tender payment of loan in advance, whether partially or in full, during or after the term of the loan, from DepEd borrower/s or from other lending institutions, in case of loan take-out/buy-out by the latter.
- g. Non- or delayed issuance of the Official Receipt in case of partial or full payment.
- h. Failure or delay in the issuance of a dated Certificate of Full Payment of Loan to the DepEd borrower and/or failure to send a written request to the concerned payroll servicing unit concerned for the immediate stoppage of deduction, in case of advance payment of loan in full.
- i. Unrefunded over-deductions for the first time/payroll month.
- j. Failure to provide duly certified Statement of Account/**Status of Premium Payments** for every loan/**transaction** granted to a DepEd borrower/member, free of charge, annually and anytime upon request, within the day that the request was made by DepEd or the DepEd borrower/member, duly supported by an up-to-date payment history.
- k. Extending the termination date of loan amortization beyond what is stipulated in the Authority to Deduct signed by DepEd borrowers, or beyond the period allowed by the guidelines.
- l. Charging fee for and/or delay or non-issuance of a Certificate of Full Payment of Loan (CFPL).

- m. Failure to inform DepEd Regional/Central Office of any transfer of office location for purposes of updating Annex E of the TCAA.
- n. Using the terms "DepEd" or "public school teacher" in promotions or in any form of advertisement.
- o. Submission of billing not in accordance with the prescribed timelines.
- p. Charging and collecting interest for the remainder of the term of the loan in case of advance payment in full of the loan.
- q. Operating lending/insurance premia/mutual benefits business in a province without prior authority from DepEd.
- r. Maintaining an office that is not compliant with the requirements of the guidelines/TCAA.
- s. Non- or delayed submission of annual and semi-annual documentary requirements.
- t. Accepting Automated Teller Machine (ATM) card as collateral from DepEd employees for their loans under APDS.
- u. Inclusion in the billing statement for lending business of mutual aid system/ insurance premia deductions, or compelling any DepEd borrower to take out any type of insurance contract other than credit life insurance, as a condition to the loan agreement.
- v. Failure to submit the required documents within the period specified by the guidelines
- w. Deduction of advance payments from the loan proceeds of DepEd borrowers.
- x. Other acts or omissions similar or analogous to the above.

Serious Grounds

The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Accredited Entity shall no longer be allowed to grant new business in the affected province/s under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue up to the termination dates reflected in the pay slip. Thereafter, the APDS Code is automatically cancelled.

"Serious grounds" are acts or omissions of an accredited entity in violation of the guidelines on accreditation/re-accreditation or TCAA, which manifest fraud, bad faith, or willful misrepresentation intended to obtain undue financial gain at the expense of a DepEd employee who is a borrower, policy holder or member of accredited entities, or to undermine the effectiveness of the APDS.

Serious grounds include, but are not limited to, the following:

- a. Approval/release/billing of loans/insurance premium/membership dues or contributions without requisite approval by DepEd Verifier.
- b. Making false representation to the DepEd employee regarding the terms and conditions of the loan/insurance premium/membership dues or contributions.
- c. Acceptance of blank Authority to Deduct (ATD), Promissory Note (PN), Disclosure Statement, signed by the concerned DepEd borrowers.
- d. Submission of false/fraudulent documents.
- e. Inclusion of deductions not indicated in Annexes D1 – D3 (sample loan computation)

- f. Computation of interest and non-interest rates on Loan not in accordance with the guidelines and the Effective interest Rate exceeds the specified ceiling.
- g. Billing of loans not yet granted, renewed or released to DepEd borrowers.
- h. Entering into automatic payroll deduction agreements with fiscally autonomous DepEd schools.
- i. Transfer, reassignment, and sale of deduction code.
- j. "Piggy-backing" (Accredited entities allowing the use of the APDS Code by non-accredited entities).
- k. Making malicious or defamatory imputation, **threat and physical injury** against DepEd officials and/or personnel in relation to the implementation of the APDS.
- l. The Certificate of Registration/Authority of the entity is cancelled or terminated by the IC, SEC, BSP or CDA,
- m. Non-disclosure of the revocation or suspension of the Certificate of Registration/Authority by the concerned government regulatory bodies.
- n. Repeated suspensions based on simple grounds, indicating refusal to comply with, or wanton disregard for, APDS guidelines.
- o. Other acts or omissions constituting fraud, bad faith, or willful misrepresentation intended to obtain undue financial gain at the expense of a DepEd employee who is a borrower, policy holder or member of accredited entities, or to undermine the effectiveness of the APDS.